

SUMMARY STATEMENT

Cornell v. Johnson, Docket No. 42822

The Idaho Supreme Court reversed the Clearwater County district court's decision affirming the magistrate court's summary dismissal of the Estate of John Cornell's claims involving the administration of a trust. John and his sister, Toni Johnson, were beneficiaries of their parents' trust. When the time came to distribute the assets, Johnson apparently refused, which led John to file a petition for the administration of the trust and removal of Johnson as trustee. Shortly after filing the petition, John committed suicide. Consequently, Johnson moved the court to dismiss John's petition, which the court granted. Kareen Cornell, John's surviving spouse, then petitioned the magistrate court for administration of the trust and to remove Johnson as trustee. Once again, Johnson moved the court to dismiss the petition, which the court granted based upon language in the trust's distribution survivorship clause and because John's claims did not survive his death. John's Estate appealed to the district court, which affirmed. The Estate appealed.

The Idaho Supreme Court held that the Estate's claims survived John's death because the claims alleged an injury that lessened John's estate. The Court also held that where a trust provision is silent as to when distribution should occur, the trustee is required to distribute trust assets within a reasonable time. The Court formally adopted a rule that where distribution is required to be made within a reasonable time, a beneficiary's interest will be deemed to vest after a reasonable period of time. The Court reversed and remanded to the district court for further proceedings.